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SENSITIVE  
SIPDIS

NEA/IPA FOR ANDREW LENTZ

E.O. 12958: N/A  
TAGS: [EAID](#) [EU](#) [IS](#) [IT](#) [OPDC](#) [PGOV](#) [PREL](#) [WBG](#)  
SUBJECT: GOI UNOFFICIALLY AGREES TO IMMEDIATE BUDGET  
SUPPORT FOR PALESTINIAN AUTHORITY

REF: STATE 120487

[¶1.](#) (SBU) Summary. The GOI has unofficially agreed to convert 10 million euros of its unobligated Paris pledge into immediate budget support for the Palestinian Authority. End summary.

[¶2.](#) (U) On 1 December ECONOFF conveyed Secretary Clinton's request for immediate budget support for the Palestinian Authority (reftel) to Counselor Antonello De Riu of the Directorate General for Development Cooperation (DGCS) of the Italian Ministry of Foreign Affairs along with the USG suggestion that Italy convert unobligated funds from their Paris pledge into immediate support.

[¶3.](#) (SBU) De Riu informed ECONOFF that the DGCS and the Directorate General for the Mediterranean and Middle East (DGMM) will present their joint recommendation today to the Foreign Minister that Italy immediately allocate 10 million euros towards budget support for the Palestinian Authority. He stressed that this information was "unofficial" until their recommendation is officially approved. He added that they had already begun making this decision upon receipt of Prime Minister Stoere's request.

[¶4.](#) (SBU) Counselor De Riu mentioned that this decision was made easier "in these difficult financial times" when funding for a planned NGO project became available after the Palestinian Authority refused to allow the project to go forward. The project was a cooperative venture between Palestinian and Israeli NGOs aimed at placing Palestinian children in Israeli hospitals.  
THORNE